



**Insurance and Real Estate Committee  
Testimony by Steve Thornquist, M.D.  
On February 7, 2017**

**SUPPORTING**

**HB 6436 AN ACT CONCERNING AN ARBITRATION PROCESS FOR SURPRISE BILLS AND BILLS FOR EMERGENCY SERVICES.**

Good Afternoon Senator Larson, Senator Kelly, Rep. Scanlon and other distinguished members of the Insurance and Real Estate Committee. I am Steve Thornquist, MD, a board certified ophthalmologist practicing in Trumbull and Waterbury Connecticut. I am here as CSMS President-elect to represent the CSMS physicians and physicians in training and the over 1000 physicians in the medical specialties of Ophthalmology, Otolaryngology, Dermatology and Urology. On behalf of this group of dedicated physicians, we thank this committee for raising HB 6436 An Act Concerning an Arbitration Process for Surprise Bills and Bills for Emergency Services. We have participated in Public Hearings on a number of bills brought out in both the public health and insurance committees over the past 2 years on the subject of surprise bills for emergency services, including SB808 which was combined into SB811 and passed in 2015 and is now PA15-146. In fact, we became part of a working group lead by Senators Fasano and Looney that helped craft the language which addressed surprise billing in emergency rooms settings in a fair and acceptable way for patients, hospitals and physicians who may be participating or non-participating providers alike.

What we did not have time to do in this landmark piece of legislation is to establish a mechanism for which dispute resolutions on reimbursement for services could be arbitrated since a non-participating provider is entitled to: **the greatest of the following amounts:** (i) The amount the insured's health care plan would pay for such services if rendered by an in-network health care provider; (ii) the usual, customary and reasonable rate for such services, or (iii) the amount Medicare would reimburse for such services. As used in this subparagraph, "usual, customary and reasonable rate" means the eightieth percentile of all charges for the particular health care service performed by a health care provider in the same or similar specialty and provided in the same geographical area, as reported in a benchmarking database maintained by a nonprofit organization specified by the Insurance Commissioner.



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When fee disputes between the non-participating provider and the insurer arise there must be an unbiased facilitator who can make those determinations and insure that the provider is paid according to this highest rate. It should be noted that several states like NY have dispute resolution processes in place and have a mechanism to fairly determine appropriate reimbursements for those non-providers who cover the emergency rooms and may dispute the reimbursement offered by the carrier.

In 2015 we suggested the following protocols for resolution of payment disputes involving emergency care:

- The health care provider may submit a dispute to an independent dispute resolution entity, possibly the Office of Health Care Access, which must then make a binding determination within 30 days of submission and one based on the higher fee schedules of the plans participating provider rate, the current Medicare reimbursement rate eightieth percentile of all charges for the particular health care service performed by a health care provider in the same or similar specialty and provided in the same geographical area, as reported in a benchmarking database maintained by a nonprofit organization specified by the Insurance Commissioner.

We continue to support this proposal.

Additionally, the fiscal responsibility should shift to the consumer's health plan provider, the state should not have to absorb the cost of dispute resolutions. This will act as an incentive for the insurer to pay the bill based on the establishment of the highest of the three options outlined in PA 15-146 at the time of submission and cut down on the appeals the state will have to arbitrate.

Again, thank you for addressing this important second piece of the 2015 surprise billing legislation.